

BEFORE THE
INTERSTATE COMMERCE
COMMISSION

IN THE MATTER OF
INCREASES IN REVENUES OF RAILROADS
IN WESTERN CLASSIFICATION
TERRITORY

LIBRARY OF CONGRESS CARD A20-710

*To the Honorable,
the Interstate Commerce Commission:*

There is filed herewith in behalf of lines in Western Classification territory an application requesting that the Commission proceed under the provisions of the new Transportation Act to investigate and determine the increases in freight rates required by the carriers in order that their net revenues may be as contemplated by that act.

A statement is attached (marked "A") giving the combined operating revenues and expenses and net revenues and net railway operating income of Class I roads in the Western District for the years 1916 to 1919, inclusive, as audited, also for the year 1919 so adjusted as to reflect more nearly present conditions, as follows:

Calendar Year	Net Revenue From Railway Operation	Operating Ratio	Net Railway Operating Income	Decrease Compared to 1916
1916	\$537,207,096	63.01	\$460,181,522	
1917	544,207,942	66.46	431,359,919	6.27%
1918	410,016,546	78.30	305,884,143	33.53%
1919	394,832,424	80.67	261,456,373	43.18%
1919 Adjusted	331,057,407	83.36	186,027,141	59.57%

Comparing 1916 with 1919 there was in the latter year an *increase* of 5.97 per cent in revenue ton miles and a *decrease* of 5.56 per cent in freight train miles, while in revenue passenger miles there was an *increase* of 32.68 per cent and in passenger train miles a *decrease* of 8.16 per cent. Ordinarily these conditions would have resulted in a substantially lower operating ratio and likewise a substantial increase in net railway operating income, while the foregoing table shows that the contrary was the case, the explanation being that the economies effected through heavier train loading and the increased revenues resulting from advances in both freight and passenger rates were more than offset by the tremendous

increase in the operating expenses, due to higher wage scales and increased costs of fuel, material and supplies. The decrease in net railway operating income in 1919 as compared with 1916 was accompanied by an increase in property investment of \$648,049,958, with the result that for the year 1919 the return on property investment decreased 62.54 per cent below that of 1916. These figures demonstrate that the present revenues of the carriers are inadequate either to absorb the increased expenses of operation or to provide that fair return upon the value of their properties required by the Transportation Act, as well as fall far short of the amount which the Government has guaranteed for the period between March 1 and September 1, 1920, and the only way in which the requirements of that act can be met are by substantial increases in rates.

Paragraph (3), Section 422 of the Transportation Act, provides, "That during the two years beginning March 1, 1920, the Commission shall take as such fair return a sum equal to $5\frac{1}{2}$ per centum of such aggregate value, but may, in its discretion, add thereto a sum not exceeding one-half of one per centum of such aggregate value to make provision in whole or in part for improvements, betterments or equipment, which, according to the accounting system prescribed by the Commission, are chargeable to capital account." The immediately preceding portion of the same paragraph provides, "In making such determination it shall give due consideration, among other things, to the transportation needs of the country and the necessity (under honest, efficient and economical management of existing transportation facilities) of enlarging such facilities in order to provide the people of the United States with adequate transportation." In order to determine the rate per cent to be applied for the next two years the Commission must therefore take into consideration the transportation needs of the country. The situation requires prompt as well as adequate treatment. The main-

tenance and growth of national prosperity are dependent upon adequate transportation facilities. As is well known these facilities are not commensurate with present demands.

There is congestion at many points. Lumber and grain movements from the northwest are choked back because of insufficiency of available equipment, and the same is true of fruit shipments from the west, grain from the middle west, and coal and coke, ore, vegetables, automobiles, manufactured articles and merchandise in other sections. There is a continually increasing demand on the part of the traveling public for more passenger equipment, more frequent train service, and better accommodations.

All this calls for more and better equipment. The needs of the railways at the end of Federal control have been estimated by a committee of the railway executives as follows:

100 000 freight cars.....	\$370 000 000
2 000 locomotives	130 000 000
3 000 passenger cars.....	90 000 000
1 000 baggage cars.....	20 000 000
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	\$610 000 000

This makes no provision for normal replacements and additions in 1920 and thereafter.

Some portion of this \$610,000,000 can probably be raised by loan from the fund of \$300,000,000 provided for the purpose in the Transportation Act, but the bulk of it must be raised by the railways on the basis of their own credit. Large amounts must also be expended for other additions and betterments.

Particularly is there a great public and national need for the building of railroads into the undeveloped and unoccupied areas in the great country west of the Mississippi River, so that there may be a greater production of food of all kinds, of lumber and other building materials, and of other natural resources. The population of the country of 105,000,000 will, within a relatively few years, be 125,000,000 and the problem

of providing food, fuel, shelter and the protection of the general welfare of the people will become more and more pressing. A sound policy of national growth and development requires that transportation facilities be kept abreast at all times of the needs of the country. This is not the case to-day and many parts of the west are much in need of extension of existing roads and the building of new ones.

In 1920 and 1921 about \$430,000,000 of maturing obligations of western carriers now bearing low rates of interest, some as low as 4 per cent, must be refunded.

The cost of new capital is more than 7 per cent per annum, even to those railroad companies whose credit is of the best. The Government Victory Loan Notes are currently selling on a basis of return in excess of 6 per cent. New industrial issues with which railroad financing must compete are offering returns of over 8 per cent, and in addition must pay liberal commissions for their sale and distribution. Underlying railroad bonds may be bought on a basis yielding 7 per cent and in some instances more than 8 per cent. Furthermore European markets which have heretofore been available for American railroad issues are now closed to them and those markets are in fact absorbing surplus funds of this country. As illustrative of the world wide revolution in credit conditions the Bank of England has recently advanced its discount rate to 7 per cent—a step which has been taken only twice since the panic of 1873.

In considering the financial situation confronting the carriers it must be noted that the effect of the existing system of taxation in the United States is to absorb for treasury needs by far the larger part of the surplus of the incomes of the well to do people which has heretofore been devoted to investment in useful enterprises and developments, and thus largely to eliminate that source of capital supply from investments in additional railroad facilities. The appeal for new capital must accordingly be made to persons of moderate

means, who still have some but not large surplus for investment and therefore must reach and attract a much larger public than heretofore. Moreover, persons of moderate means naturally seek investments bringing large returns and are accordingly likely to be attracted to industrial in preference to railroad investment opportunities. If, therefore, new capital is to be obtained from this important source, the returns from investment in railroad securities must be made substantially more inviting.

It seems palpable from the foregoing that the Commission in the exercise of the discretion vested in it for the two-year period beginning March 1, 1920, should so adjust the rates of the carriers that their net operating income will be equal to the higher rate of return which it is authorized to prescribe by the Transportation Act. The maximum of 6 per cent is the minimum which can be justified at this time. The fact that on the money advanced by the Government during Federal control for additions and betterments and for current liabilities, as well as for loans to be made to the carriers out of the revolving fund created by the Transportation Act, the Government exacts an interest charge of 6 per cent is also persuasive that the carriers should at least be permitted to earn an equal return on their value.

Last November, with the return of the roads to private management impending, there were appointed by the Association of Railway Executives various committees to study the situation for the purpose of developing the necessities of the railroads as to increased revenues. To this end a questionnaire was sent to all the railroads calling for data as to their property investment, revenues, expenses, rents and all items affecting the income account, both Federal and corporate, for the year ended October 31, 1919. That year was selected because the questionnaire was sent out in December, 1919, and that was the latest available year at that time.

The results of the questionnaire with subsequent adjustments as explained hereinafter are tabulated in statement (marked "B") attached and may be summarized as follows:

Results for year ended October 31, 1919, of 185 railroads and systems (Class I, II and III) operating 138,244 miles of road:

Property investment	\$8,963,883,753
Six per cent return on property investment.....	537,833,024
Net railway operating income, adjusted.....	184,939,759
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Deficit	\$ 352,893,265
Total freight revenue for the year ended October 31,	
1919	\$1,475,695,163
Increases in freight rates needed to cover deficit under	
six per cent return.....	23.91%

With regard to the income account, the questionnaire provided for adjustments by additions to and deductions from revenues, operating expenses, taxes, rentals, etc., so as to produce an income account which would reflect the wages, prices and conditions as of October 31, 1919, for the full year. The replies have been thoroughly examined and tested, and where found necessary, corrections have been made so that the figures presented in the compilation of results reflect as clearly as possible the actual conditions as of that date.

Subsequently increases in wages have been granted to employees, demands have been made by the owners of privately operated refrigerator cars for increased mileage payments by the railroads, and the decision of the Interstate Commerce Commission granting increase in mail pay to the railroads has become effective, and those items have been computed and added to or subtracted from the results produced by the questionnaire compilations.

To the amount thus ascertained has been added the amount necessary to take care of the recent increase in the price of coal and the increase in Federal Income Tax which will result from increased net income, making the additional revenue

needed \$352,893,265 to produce a return of 6 per cent on the property investment.

The right hand side of statement (marked "A") hereto attached shows the net railway operating income of class I roads for the calendar year 1919 similarly adjusted as nearly as possible from the data at hand. On the basis of these figures an increase of 23.4 per cent in revenue is required to yield a return of 6 per cent on the property investment of Class I roads based on the calendar year figures. A study of the operating results of Class II and Class III roads, as disclosed for the year ended October 31, 1919, demonstrates that if the operation of those roads were included the percentage of freight revenue required for all roads, if based on calendar year figures, would at least equal that based on the year ended October 31, 1919.

In the foregoing compilations the carriers have used as the aggregate value their property investment accounts made up of investment in road and equipment and materials and supplies as the best estimate practically available at this time. It is confidently believed that for the reasons advanced at the public hearing on March 22nd this sum is the minimum conservative estimate of present aggregate value and that the definitive valuation to be made by the Commission will be greatly in excess thereof.

The carriers have carefully considered whether a part of the necessary increased revenue could be obtained from passenger traffic and are of the opinion that it would be inadvisable to undertake to increase passenger fares at the present time and furthermore it is exceedingly difficult to estimate what increase in revenue would actually result from increase in passenger fares if made. It is believed that the increase should be applied to all freight traffic, both state and interstate, and be apportioned as uniformly as practicable alike on all classes of commodities. Well recognized and long standing differentials and relationships should be ob-

served, as far as possible, and it is anticipated that individual tariffs will be checked accordingly and that some of the important adjustments can be determined in the hearings before the Commission and others before the decision of the Commission is finally rendered.

Summing up, there is no evidence to warrant a belief that either the cost of labor or materials will in the near future reach a lower level than that now in effect and much evidence to the contrary. The figures compiled do not and cannot tell the whole story. We are in a period of uncertain industrial conditions, uncertain price levels and high money rates. The public demands, and justly so, a higher standard of service than that now being accorded and is, we confidently believe, entirely willing to pay what is reasonably necessary to obtain same. This can only be accomplished by liberal treatment in the matter of increased revenue, thereby enabling the carriers to meet their maturing obligations and to secure the additional capital which is requisite to the proper performance of their duty to provide for their patrons efficient transportation service. For these purposes the situation demands increased revenues sufficient to yield at least 6 per cent on the conservatively estimated aggregate values above set forth.

S. M. FELTON,
Chairman, Committee of Western Lines.

Statement A

WESTERN DISTRICT

CLASS I ROADS, EXCLUDING SWITCHING AND TERMINAL COMPANIES

	CALENDAR YEAR				1919% Increase Over 1916
	1916	1917	1918	1919	
Average miles operated.....	129,210.66	130,315.86	131,117.57	130,332.09	
Class I Operating Companies:					
Investment in road and equipment.....	\$ 6,808,382.385	\$ 7,008,982.613	\$ 7,138,239.919		
Impvts. on leased Ry. property.....	9,884,795	13,363,092	13,949,271		
Materials and supplies.....	127,066.814	196,410,717	256,126,231		
Non-Operating Subsidiaries of Class I Roads:					
Investment in road and equipment.....	1,072,744.956	1,091,842.327	1,091,842.327		
Impvts. on leased Ry. property.....	10,046	4,667	4,667		
Materials and supplies.....		508,144	508,144		
Total property investment.....	\$ 8,018,088.996	\$ 8,311,111,560	\$ 8,500,670,558	\$ 8,666,138,954	8.05
Freight revenue.....	1,030,480,729	1,138,719,965	1,343,193,011	1,427,249,504	38.50
Passenger revenue.....	292,100,405	340,980,092	396,617,027	472,261,976	61.68
Mail revenue.....	30,019,480	26,510,542	24,365,416	24,260,859	
Express revenue.....	34,457,632	41,915,919	47,907,755	47,049,552	
All other transportation revenue.....	65,220,896	74,504,148	77,425,197	72,061,076	
Total Ry. operating revenue.....	\$ 1,452,279,142	\$ 1,622,630,666	\$ 1,889,508,406	\$ 2,042,882,967	40.67
Maintenance of way and structures.....	182,524,115	189,220,478	266,477,172	324,344,012	
Maintenance of equipment.....	216,842,130	247,457,257	394,454,217	432,708,569	
Traffic expenses.....	27,115,918	27,621,879	18,740,010	17,501,623	
Transportation expenses.....	442,102,038	560,417,272	739,908,033	808,013,905	
Miscellaneous expenses.....	17,962,238	20,559,855	16,077,898	20,081,147	
General expenses.....	34,326,305	39,466,931	48,225,916	49,321,087	
Transportation for Investment—Cr.....	5,800,707	6,320,948	4,391,386	3,919,800	
Total Ry. operating expenses.....	915,072,046	1,078,422,724	1,479,491,860	1,648,050,543	80.10
Operating ratio.....	63.01%	66.46%	78.30%	80.67%	
Net revenue from Ry. operation.....	537,207,096	544,207,942	410,016,546	394,832,424	d26.50
Railway tax accruals.....	71,862,777	101,230,523	103,387,442	••108,440,156	
Uncollectible railway revenues.....	380,328	360,791	309,400	471,556	
Railway operating income.....	464,963,991	442,616,628	306,319,704	285,920,712	d38.51
Hire of equipment—Net.....	2,065,925	Dr.	9,181,352	Dr.	
Joint facility rents—Net.....	6,848,398	Dr.	8,745,791	Dr.	
Net railway operating income.....	\$ 460,181,522	\$ 431,359,919	\$ 305,884,143	\$ 261,456,373	d43.19
Rate of return on property investment.....	5.74%	5.19%	3.60%	3.02%	
Revenue ton miles.....	123,250,722.123	138,044,743.597	142,335,128.414	130,606,713.832	5.97
Revenue passenger miles.....	13,384,733.938	15,285,844.564	15,754,933.815	17,758,983,940	32.68
Freight train miles.....	244,559,728	256,558,945	246,484,654	230,956,121	d 5.56
Passenger train miles.....	240,576,919	243,009,648	222,809,525	220,937,925	d 8.16

*As of October 31, 1919, covering 131,863.74 miles of roads.

**Includes \$18,816,484 estimated war taxes.

†Calendar year 1917 figures; 1918 not available.

CALENDAR YEAR 1919, ADJUSTED TO REFLECT PRESENT CONDITIONS

WESTERN DISTRICT, CLASS I ROADS, EXCLUDING SWITCHING AND TERMINAL COMPANIES

Net railway operating income:		
Estimated war taxes \$18,816,484 deducted.		\$ 261,456,373
Add: Labor adjustments included in 1919 which were applicable to prior period—back pay.....		11,070,122
Mail pay, estimated increase in pay for calendar year 1919.....		13,513,600
Estimated, equipment rent adjustments based on test period, at 60 cents per freight car day.....		5,000,000
Total.....		\$ 291,040,095
Deduct: Estimated increase in pay to reflect increases through Supplements 21 to 27 and interpretations of General Order No. 27, for such periods of the year not covered by them—1.8% of operating expenses, \$1,648,050,543.....	\$ 29,664,910	
Estimated increases in cost of Material based on results of questionnaire for 12 months ended October 31, 1919—1.6% of operating expenses.....	26,368,809	
Estimated increase in railway tax accruals based on adjustments for the year ended Oct. 31, 1919.....	7,814,089	
Estimated increase in Federal Income taxes based on 10% of the excess of 6% on the property investment over the standard return (\$519,968,337—\$407,542,765= \$112,425,572).....	11,242,557	
Corporate income and charges not included in operating expenses, based on year ended Oct. 31, 1919—Dr.....	7,052,344	
Estimated further increase in cost of fuel, 42,508,597—Tons at 50 cents per ton (excludes Fuel Oil).....	21,254,298	
Estimated increase in payments for privately operated refrigerator cars.....	1,815,947	
Net railway operating income 1919, adjusted to reflect present conditions.....	\$ 186,027,141	
Property investment—based on reports for Oct. 31, 1919.....	\$ 8,666,138,954	
Rate of return, which above adjusted net Railway operating income is thereon.....	2.15%	
6% on property investment.....	519,968,337	
Deficit under 6% return.....	333,941,196	
Freight revenue.....	1,427,249,504	
Increase in freight revenue needed to cover the above deficit.....	23.40%	

Note.—The foregoing computations make no provision or allowance for:

- (a) Possible increases in wages in addition to those already effective.
- (b) Demand of the Pullman Company for additional revenue through an adjustment of contractual relations with railroads.
- (c) Claims of Short Lines and Industrial Railroads not represented in foregoing figures for increased divisions.
- (d) Possible under-maintenance which may have occasioned an under-statement of expenses for 1919.

*Based on test made by C. R. I. & P. Ry.

Statement B

WESTERN DISTRICT.

April 28, 1920.

OPERATING REVENUES, EXPENSES AND NET RAILWAY OPERATING INCOME FOR YEAR ENDED OCTOBER 31, 1919,
ADJUSTED BY NECESSARY INCREASES AND DECREASES TO REFLECT PRESENT CONDITIONS.

Revenues and Expenses as Reported to I. C. C. and United States Railroad Administration	Class I 59 Systems 134,376.64	Class II 53 Roads 4,092.51	Class III 41 Roads 1,018.05	S. & T. 32 Roads 756.54	All Classes 185 Roads 138,243.74
Operating Revenues:					
Freight Revenue.....	\$1,440,138,686	\$ 12,023,421	\$ 2,473,853	\$ 21,607,507	\$1,476,243,467
Passenger Revenue.....	458,077,627	2,527,807	356,892		460,962,326
Total Operating Revenue.....	2,037,340,856	15,551,903	3,066,445	21,607,507	2,077,566,691
Operating Expenses.....	1,644,167,175	13,444,837	2,934,110	21,384,484	1,681,930,606
Railway Tax Accruals.....	85,729,584	962,941	157,482	1,521,425	88,371,432
Uncollectible Revenue.....	389,833	2,055	1,535	17,790	411,213
Equipment Rents.....	Dr. 9,605,729	Dr. 196,077	Dr. 220,907	Dr. 95,773	Dr. 10,208,486
Joint Facility Rents.....	Dr. 9,036,243	Cr. 129,017	Dr. 8,167	Cr. 5,503,369	Dr. 3,432,084
Net Federal Income.....	288,302,272	1,075,010	Def. 255,756	4,091,344	293,212,870
War Taxes.....	18,717,208	19,503	5,611	163,070	18,905,392
Corporate Expenses.....	6,802,437	50,991	43,987	2,224,809	9,122,224
Net Railway Operating Income.....	\$ 262,782,627	\$ 1,004,516	Def. \$ 305,354	\$ 1,703,465	\$ 265,185,254
Adjustments to reflect for full year, conditions as of October 31, 1919:					
Operating Revenues.....	Cr. 95,055	Dr. 27,727	Dr. 22,534	Cr. 578,659	Cr. 678,907
Operating Expenses.....	Dr. 34,444,202	Dr. 536,137	Dr. 144,148	Dr. 564,938	Dr. 35,689,425
Railway Tax Accruals.....	Dr. 7,614,089	Dr. 4,157	Cr. 14	Dr. 114,896	Dr. 7,733,128
Equipment Rents.....	Cr. 5,063,538	Dr. 250,540	Dr. 69,421	Dr. 220,024	Cr. 4,523,553
Joint Facility Rents.....	Cr. 241,449	Dr. 11,511	Dr. 71	Cr. 74,296	Cr. 304,163
War Taxes.....	Dr. 99,276	Dr. 816	Cr. 700	Cr. 3,905	Dr. 95,487
Corporate Expenses.....	Dr. 249,907	Cr. 5,005		Dr. 97,277	Dr. 342,179
Adjusted Net Railway Operating Income per questionnaire.....	\$ 225,775,195	\$ 234,087	Def. \$ 540,814	\$ 1,363,190	\$ 226,831,658
Further Adjustments not developed in questionnaire:					
Railway Mail Pay, Estimated Annual In- crease.....	Cr. \$13,513,600				Cr. 9,395,044
National Agreement—Trainmen.....	Dr. 11,317,697				\$ 217,436,614
Maintenance of Way Employees and Clerks.....	Dr. 9,775,000				\$ 21,254,298
Privately Operated Refrigerator Cars.....	Dr. 1,815,947				
Net Debits, above Adjustments not in questionnaire.....	\$ 9,395,044				\$ 11,242,557
Net Railway Operating Income after above adjustments.....					\$ 184,939,759
Estimated increase in cost of coal (Fuel Oil not included), \$2,508,597 tons at 50 cents per ton.....					\$8,963,883,753
Estimated increase in Income Tax based on 10% of difference between 6% on Prop. Investment (\$519,983,337) and Standard Return (\$407,542,765) for Class I Roads only.....					537,833,024
Final Adjusted Net Railway Operating Income.....			\$ 23,756,268	\$141,361,408	\$ 352,893,265
Total Property Investment.....	\$8,666,138,954	\$132,627,123	1,425,374	8,481,684	
6% on Property Investment.....	519,968,337	7,957,629			
Total Deficit under 6% on Property Investment.....					16,987
Increase needed to cover deficit applied to Total Revenue, Freight and Passenger Revenue.....					18.22%
Freight Revenue only.....					23.91%

BEFORE THE
INTERSTATE COMMERCE COMMISSION.

IN THE MATTER OF INCREASES IN REVENUES OF RAILROADS
IN WESTERN CLASSIFICATION TERRITORY.

The railroads in Western Classification territory bring to the attention of the Commission the inadequacy of their revenues to the end that the Commission may proceed under Section 422 of the Transportation Act of 1920 to initiate or authorize such rates as will yield the carriers as a whole in such territory under honest, efficient and economical management and reasonable expenditure for maintenance of way, structures and equipment a net railway operating income equal to a fair return (which your petitioners allege during the two years beginning March 1, 1920, will be not less than six per cent) upon the aggregate value of their railway property held for and used in the service of transportation.

They show to the Commission that the revenues derived from existing rates yield less than two per cent upon such aggregate value and are wholly insufficient to enable them to provide and maintain an efficient service of transportation.

Considering Western Classification territory as a whole and based upon present volume of traffic, prices and operating costs an average increase in rates on all state and interstate freight traffic of not less than 23.91 per cent is necessary in order to provide a return of six per cent on the investment in road and equipment, materials and supplies, which for these lines aggregates \$8,963,883,753, and this sum they allege is less than the aggregate value of the railway properties in said territory held for and used in the service of transportation.

They further show that in determining the increases necessary no consideration has been given to possible increases in operating expenses beyond those already effective, nor to under-maintenance which may have reduced expenses in the immediate past under what they would have been if their properties had been fully maintained.

They ask, therefore, that, without prejudice to the right of any road or roads to ask for special consideration of their rates and revenues, the Commission enter upon an investigation under Section 422 of the Transportation Act of 1920, and that it initiate or authorize increases in freight rates in Western Classification territory as a whole which will average not less than 23.91 per cent.

S. M. FELTON,
Chairman, Committee of Western Lines.

ROADS AND SYSTEMS, WITH SUBSIDIARIES AND AVERAGE MILEAGE OPERATED.
RETURNS FOR YEAR ENDED OCTOBER 31, 1919.

CLASS I ROADS	Average Miles Operated Year Ending 10-31-19	CLASS I ROADS	Average Miles Operated Year Ending 10-31-19
Atchison, Topeka & Santa Fe System	11,491.65	Albany R. R. Bridge Co.	
Atchison, Topeka & Santa Fe Ry.		Escanaba, Iron Mountain & West	
Barton County & Santa Fe Ry.		R. R.	
California, Arizona & Santa Fe Ry.		Chicago, Burlington & Quincy R. R.	9,373.25
Dodge City & Cimarron Valley Ry.		Black Hills & Ft. Pierre R. R. Co.	
Garden City, Gulf & Northern R. R.		Deadwood Central R. R. Co.	
Laton & Western R. R.		Chicago Great Western R. R.	1,496.06
Minkler Southern Ry.		Mason City & Fort Dodge R. R.	
Oil Fields & Santa Fe Ry.		Wisconsin, Minnesota & Pacific	
Oklahoma Central R. R.		R. R.	
Rocky Mountain & Santa Fe Ry.		Leavenworth Ry. & Bridge Co.	
Verde Valley Ry.		Chicago, Milwaukee & St. Paul Sys-	
Western Arizona Ry.		tem.	10,647.71
North Texas & Santa Fe Ry.		Chicago, Milwaukee & St. Paul Ry.	
Osage County & Santa Fe Ry.		Tacoma Eastern R. R.	
Tulsa & Santa Fe Ry.		Puget Sound & Willapa Harbor Ry.	
Santa Fe Tie & Lumber Preserving		Milwaukee Terminal Ry. Co.	
Co.		Bellingham & Northern Ry.	
Gulf, Colorado & Santa Fe Ry.		Seattle, Port Angeles & Western	
Cane Belt R. R.		Ry.	
Concho, San Saba & Llano Valley		Gallatin Valley Ry. Co.	
R. R.		Chicago, Peoria & St. Louis R. R. Co.	247.19
Gulf, Beaumont & Kansas City Ry.		Alton Terminal Ry.	
Gulf, Beaumont & Great Northern		Chicago, Rock Island & Pacific Sys-	
Ry.		tem.	8,080.02
Gulf & Interstate Ry. of Texas.		Chicago, Rock Island & Pacific Ry.	
Gulf & Interstate Ry., Santa Fe		Choctaw, Oklahoma & Gulf Ry.	
D. & C. Co.		Rock Island, Arkansas & Louisiana	
Jasper & Eastern Ry.		Ry.	
Texas & Gulf Ry.		St. Paul & Kansas City Short Line	
Pan Handle & Santa Fe Ry.		Ry.	
Pecos & Northern Texas Ry.		Rock Island, Stuttgart & Southern	
Pecos River R. R.		Ry.	
South Plains & Santa Fe Ry.		Keokuk & Des Moines Ry.	
Rio Grande, El Paso & Santa Fe		Rock Island & Dardanelle R. R.	
R. R.		White & Black River Valley Ry.	
Kansas Southwestern Ry.		Peoria & Bureau Valley R. R.	
Grand Canyon Ry.		Morris Terminal Ry.	
Bingham & Garfield Ry.	37.51	Rock Island-Memphis Terminal	
Chicago & Alton R. R.	1,051.51	Ry.	
Joliet & Chicago R. R.		Rock Island Improvement Co.	
K. C. St. L. & C. R. R.		Tucumcari & Memphis Ry.	
Louisiana & Missouri R. R.		Chicago, Rock Island & Gulf Ry.	
R. T. & N. R. R.			
Chicago & North Western Ry.	8,406.18	Chicago, St. Paul, Minneapolis &	
Wyoming & North Western Ry.		Omaha Ry.	1,749.19
Pierre, Rapid City & N. W. Ry. Co.		Colorado & Southern Ry.	1,100.95
Pierre & Ft. Pierre Bridge Ry. Co.		Colorado Railroad Co.	
Wolf River Valley Ry. Co.		Colorado & Wyoming Ry.	43.87
Mo. Valley & Blair Ry. & Bridge		Copper Range R. R.	161.68
Co.		Mohawk & Traverse Bay R. R.	
Belle Fourche Valley Ry. Co.		Wolverine Copper Mining Co.	
James River Valley & N. W. Ry.		Keweenaw Central R. R.	
Co.		Denver & Rio Grande R. R.	2,596.57
Iowa Southern Ry.		Denver & Salt Lake R. R.	255.46
Macoupin County Extension Ry.		Northwestern Terminal Ry.	
Co.		Duluth & Iron Range R. R.	292.49
De Pue, Ladd & Eastern R. R. Co.			

**ROADS AND SYSTEMS, WITH SUBSIDIARIES AND AVERAGE MILEAGE OPERATED
RETURNS FOR YEAR ENDED OCTOBER 31, 1919.**

CLASS I ROADS	Average Miles Operated Year Ending 10-31-19	CLASS I ROADS	Average Miles Operated Year Ending 10-31-19
Duluth, Missabe & Northern Ry....	412.39	Louisiana Ry. & Navigation Co.....	349.7
Duluth, South Shore & Atlantic Ry.	599.53	Midland Valley R. R.....	388.0
Duluth, Winnipeg & Pacific Ry.....	179.00	Mineral Range R. R.....	101.0
Fort Smith & Western R. R.....	253.65	H. & C. R. R.	
Fort Worth & Denver City.....	454.00	Minneapolis & St. Louis R. R.....	1,646.7
Fort Worth & Denver Terminal Ry. Co.		Minneapolis, St. Paul & S. S. Marie.	4,243.4
El Paso & Southwestern.....	1,027.85	Wisconsin Central Ry.	
El Paso & Southwestern R. R.		Central Terminal Ry.	
El Paso & Southwestern R. R. of Texas.		Missouri & North Arkansas R. R...	365.2
El Paso & Northeastern R. R. Co.		Missouri, Kansas & Texas System...	3,839.7
El Paso & Northeastern Ry. Co.		Missouri, Kansas & Texas Ry.	
El Paso & Rock Island Ry.		Missouri, Kansas & Texas Ry. of Texas.	
Alamogordo & Sacramento Mt. Ry. Co.		W. F. & N. W. Ry.	
Dawson Railway Co.		Missouri, Oklahoma & Gulf System.	341.1
Burro Mountain R. R. Co.		Missouri, Oklahoma & Gulf R. R.	
Green Bay & Western System.....	363.66	Missouri, Oklahoma & Gulf Ry.	
Green Bay & Western R. R.		Missouri, Oklahoma & Gulf Ry. of Texas.	
Kewaunee, Green Bay & Western.		Missouri Pacific R. R. System.....	7,172.7
Ahnapee & Western R. R.		Missouri Pacific R. R.	
Great Northern Railway Co.....	8,342.00	St. Joseph & Central Branch Ry.	
Minneapolis Western Ry. Co.		Edgewater Connecting Ry.	
Duluth Terminal Ry. Co.		Edgewater Terminal Ry.	
Duluth & Superior Bridge Co.		Booneville, St. Louis & Southern Ry.	
Watertown & Sioux Falls Ry. Co.		Cairo & Thebes.	
Manitoba Great Northern Ry. Co.		Fort Smith Suburban Ry.	
Midland Ry. Co. of Manitoba.		Baring Cross Bridge Co.	
Brandon, Saskatchewan & Hudson Bay Ry.		Little Rock Jct. Ry.	
Crows Nest Southern Ry. Co.		Missouri Pacific R. R. Co. in Neb- raska.	
Nelson & Fort Sheppard Ry. Co.		Kiowa, Hardtner & Pacific R. R.	
Red Mountain Ry. Co.		Nevada Northern.....	168.00
Vancouver, Victoria & E. Ry. & N. Co.		Gulf Coast Lines.....	919.70
New Westminster Southern Ry. Co.		New Orleans, Texas & Mexico.	
Great Northern Equipment Co.		St. Louis, Brownsville & Mexico Ry.	
Great Northern Terminal Ry. Co.		Beaumont, Sour Lake & Western Ry.	
Minneapolis Belt Line Co.		Orange & Northwestern.	
Montana Eastern Ry. Co.		Northern Pacific Ry.....	6,580.82
Great Falls & Teton Co. Ry. Co.		Northwestern Pacific R. R.....	527.00
International & Great Northern Ry.	1,159.50	Quincy, Omaha & Kansas City R. R.	255.09
Kansas City, Mexico & Orient System	737.00	St. Joseph & Grand Island Ry.....	258.46
Kansas City, Mexico & Orient R.R.		St. Louis Southwestern System.....	2,100.50
Kansas City, Mexico & Orient Ry. of Texas.		St. Louis Southwestern Ry.	
Kansas City & Southern System....	861.70	Gray's Point Terminal Ry.	
Kansas City Southern Ry.		Central Arkansas & Eastern R.R.	
Texarkana & Fort Smith Ry.		Paragould Southeastern Ry.	
K. C. S. & G. Ry.		Valley Terminal Ry.	
Ft. S. & V. B. Ry.		St. Louis Southwestern Ry. of Texas.	
M. & S. C. Ry.		Pine Bluff Arkansas River Ry.	
Lake Superior & Ishpeming R. R...	34.04	S. N. & S. T. Ry. Co.	
Los Angeles & Salt Lake R. R.....	1,168.00	The S. B. & T. Co.	
Louisiana & Arkansas Ry.....	302.34	D. T. Ry. & Union Depot Co.	
		Eastern Texas R. R.	

ROADS AND SYSTEMS, WITH SUBSIDIARIES AND AVERAGE MILEAGE OPERATED. RETURNS FOR YEAR ENDED OCTOBER 31, 1919.

CLASS I ROADS	Average Miles Operated Year Ending 10-31-19	CLASS II ROADS	Average Miles Operated Year Ending 10-31-19
St. Louis-San Francisco System....	5,165.50	Abilene & Southern Ry.....	72.20
St. Louis-San Francisco Ry.		Anthony & Northern Ry. (W. & N. W.)	100.20
Paris & Great Northern.		Arizona & New Mexico Ry.....	111.98
St. Louis, San Francisco & Texas Ry.		Arkansas Central R. R.....	46.13
Ft. Worth & Rio Grande Ry.		Bullfrog Goldfield R. R.....	78.95
Brownwood North & South Ry.		California Southern R. R.....	42.00
		Chicago & Illinois Western R. R....	17.39
San Antonio & Aransas Pass.....	736.52	Clinton & Oklahoma Western Ry...	59.97
		Colorado & Southeastern R. R.....	20.78
Southern Pacific System.....	11,048.00	Colorado, Wyoming & Eastern Ry..	111.00
Southern Pacific Co.		Duluth & Northeastern R. R.....	61.75
Central Pacific Ry.		Electric Short Line Ry.....	57.46
Oregon & California R. R.		Escanaba & Lake Superior R. R....	145.46
South Pacific Coast R. R.		Farmers Grain & Shipping Co.....	66.55
Southern Pacific R. R.		Brandon, Devils Lake & Southern Ry.	
Inter-California Ry. (Cal.).		Galveston, Houston & Henderson R. R.....	50.00
New Mexico & Arizona R. R.		Gilmore & Pittsburg R. R.....	119.64
Porterville Northeastern Ry.		Great Western Ry.....	85.17
Marion & Lynn County R. R.		Gulf & Sabine River R. R.....	18.13
Tucson & Nogales R. R.		Gulf, Texas & Western R. R.....	113.17
Arizona Eastern R. R.		Houston & Brazos Valley R. R....	34.47
Phoenix & Eastern R. R.		Intermountain Ry.....	40.32
Galveston, Harrisburg & San An- tonio Ry.		Kansas City, Clinton & Springfield Ry.....	154.22
Houston East & West Texas Ry.		McCloud River R. R.....	47.03
Houston & Shreveport R. R.		Mineral Point & Northern.....	30.60
Houston & Texas Central R. R.		Minneapolis & Rainy River Ry....	62.67
Iberia & Vermillion R. R.		Minnesota & International Ry.....	194.23
Lake Charles & Northern R. R.		Big Fork & Northern Ry.	
Louisiana Western R. R.		Minneapolis, Northfield & Southern.	53.76
Morgan's Louisiana & Texas R. R. & S. S. Co.		Missouri Southern R. R.....	60.67
Texas & New Orleans R. R.		Montana, Wyoming & Southern....	33.29
		Munising, Marquette & Southeastern R. R.....	130.09
Idaho International Ry.....	156.65	Muscatine, Burlington & Southern R. R.....	54.00
Idaho, Portland & Seattle Ry....	851.30	Nevada-California-Oregon R. R....	171.29
Oregon Trunk Ry.		New Iberia & Northern.....	104.91
Oregon Electric Ry.		New Orleans & Lower Coast R. R....	60.00
Texas & Pacific.....	1,946.62	Ocean Shore R. R.....	67.33
Omaha, Peoria & Western.....	248.00	Oklahoma, Kansas & Missouri Ry...	12.77
Omaha & Brazos Valley Ry.....	368.80	Pacific & Idaho Northern.....	89.90
		Quanah, Acme & Pacific Ry.....	90.90
Union Pacific System.....	8,102.89	Rio Grande Southern R. R.....	179.79
Union Pacific R. R.		St. Louis & Hannibal R. R.....	103.40
Oregon Short Line R. R.		San Joaquin & Eastern R. R.....	55.91
Oregon-Washington R. R. & Navi- gation Co.		Sierra Ry. of California.....	76.11
Des Chutes R. R.		Stanley, Merrill & Philips Ry.....	41.94
		Sunset Railway Co.....	60.00
Utah Ry.....	98.66	Texas Mexican R. R.....	162.00
Wicksburg, Shreveport & Pacific Ry.	171.44	Texas, Oklahoma & Eastern R. R....	24.08
Western Pacific R. R.....	1,041.90	Tonopah & Goldfield R. R.....	113.41
		Tonopah & Tidewater.....	169.07
Wichita Valley Ry.....	257.00	Tooele Valley Ry.....	7.27
Wichita Valley R. R.		Virginia & Truckee Ry.....	67.48
Wichita Falls & Oklahoma Ry.		Weatherford, Mineral Wells & N. W. Ry.....	41.20
Abilene & Northern Ry.		Wisconsin & Michigan R. R.....	41.30
Stamford & Northwestern Ry.		Yosemite Valley R. R.....	79.17
Total 59 Class I Systems.....	132,376.64	Total 53 Class II Roads.....	4,092.51

**ROADS AND SYSTEMS, WITH SUBSIDIARIES AND AVERAGE MILEAGE OPERATED
RETURNS FOR YEAR ENDED OCTOBER 31, 1919.**

CLASS III ROADS	Average Miles Operated Year Ending 10-31-19	SWITCHING AND TERMINAL	Average Miles Operated Year Ending 10-31-19
Alexandria & Western Ry. Co.....	20.65	Arkansas-Memphis Ry. Bridge & Terminal Co.....	6.1
Angelina & Neches River R. R.....	33.00	Brownsville & Matamoros Bridge Co.	1.2
Arkansas Western R. R.....	32.33	Chicago Junction Ry.....	178.4
Artesian Belt R. R.....	54.80	Chicago River & Indiana R. R.....	59.1
Atlantic Northern Ry.....	15.00	Chicago Short Line Ry.....	7.3
Billings & Central Montana Ry.....	13.95	Chicago, West Pullman & Southern R. R.....	11.7
Cairo, Truman & Southern R. R....	11.00	Davenport, Rock Island & Northwestern Ry.....	49.0
Cape Girardeau Northern Ry.....	22.00	Des Moines Union R. R.....	40.8
Christie & Eastern Ry.....	10.17	Hannibal Connecting R. R.....	7.1
Cimarron & Northwestern Ry.....	22.00	Illinois Northern Ry.....	6.9
Colfax Northern Ry.....	7.41	Iowa Transfer Ry.....	3.2
Colfax Consolidated Coal Co. Thomas W. Griggs.		Joplin Union Depot Co.....	
Craig Mountain Lumber Co.....	5.59	Kansas City, Shreveport & Gulf Terminal Co.....	
Dardanelle & Russellville R. R.....	5.00	Kansas City Terminal Co.....	26.2
Deering Southwestern Ry.....	32.90	Keokuk Union Depot.....	.2
Denison & Pacific Suburban Ry.....	7.85	Manufacturers Ry.....	18.8
De Queen & Eastern Ry.....	27.02	Minneapolis Eastern Ry.....	3.5
Doniphan, Kensett & Searcy Ry....	6.00	Missouri & Illinois Bridge & Belt Ry.	3.3
Galesburg & Great Eastern R. R....	10.00	Peoria & Pekin Union Ry.....	19.3
Gould Southwestern R. R.....	17.80	Peoria Railway Terminal.....	13.4
Hill City Ry.....	25.10	Pullman R. R.....	18.3
Hillsboro & Northeastern Ry.....	6.50	Sioux City Terminal Ry.....	13.9
Holton Interurban Ry.....	11.13	St. Joseph Belt Ry.....	24.0
La Crosse & Southeastern Ry.....	44.07	St. Louis Merchants Bridge Terminal Ry.....	9.2
Lake Tahoe Ry. & Transportation Co.	19.40	Madison, Illinois & St. Louis Ry.	
Miami Mineral Belt R. R.....	31.32	St. Louis Merchants Bridge Co.	
Minneapolis, Red Lake & Manitoba Ry.....	33.50	St. Paul Bridge & Terminal Ry. Co.	33.5
Minnesota N. W. Electric Ry.....	18.60	St. Paul Bridge & Terminal.	
Minneapolis, St. Paul & Soo Ry.		St. Paul Union Stock Yards Co.	
Nacodoches & Southeastern R. R....	21.80	Southern Pacific Terminal Co.....	26.0
Nevada Central R. R.....	93.00	Springfield Terminal Ry.....	8.5
New Mexico Central Ry.....	115.70	Trans-Mississippi Terminal R.R.Co.	70.0
Nezperce & Idaho R. R.....	13.80	T. M. T. R. R. Co.	
Oregon, Pacific & Eastern.....	22.00	T. & P. Ry. Co.	
Poteau Valley R. R.....	6.67	Terminal R. R. Association of St. Louis.....	36.8
St. Louis, El Reno & Western Ry...	42.21	Terminal R. R. Assn. of St. Louis.	
St. Louis, Kennett & Southeastern R. R.....	26.00	East St. Louis Belt R. R.	
Santa Maria Valley R. R.....	23.00	East St. Louis & Carondelet R. R.	
Sligo & Eastern R. R.....	33.30	Illinois Transfer R. R.	
Texas Short Line Ry.....	12.85	Granite City & Madison Belt Line R. R.	
Thornton & Alexandria Ry.....	24.68	Terminal R. R. of East St. Louis.	
White Sulphur Springs & Yellowstone Park Ry.....	22.95	St. Louis Terminal Ry. Co.	
Warren & Ouachita Valley Ry.....	16.00	St. Louis Bridge Co.	
Total 41 Class III Roads.....	1,018.05	St. Louis Belt & Terminal Ry. Co.	
		Tunnel R. R. of St. Louis.	
		Union Stock Yards Co. of Omaha (Limited).....	34.0
		Union Terminal Ry. of St. Joseph, Mo.....	16.2
		Wiggins Ferry Co.....	9.4
		East St. Louis Connecting Ry.	
		St. Louis Transfer Ry.	
		Total 32 Switching and Terminal Companies.....	756.5
		Grand Total 185 Roads, all Classes.....	138,243.7